

**SANFORD POLICE OFFICERS' RETIREMENT SYSTEM  
PENSION BOARD MEETING MINUTES  
Thursday, February 12, 2015 – 10:30 A.M.**

**1. Call to Order and Roll Call**

The meeting was called to order at 10:40 a.m. by the Chairman, Darrel Presley. The following members were present: John Dovydaitis, Bill Elliott, and Bill Erwin. Chris Collison was excused. The following service providers were also in attendance: Scott Christiansen, Plan Counsel, Jana Hamilton, Investment Manager, and Tom Donegan and Greg McNeillie, Investment Consultants. Also present was Cindy Lindsay, Finance Director.

**2. Approval of Minutes**

A minor correction to page 3, from the minutes of November 6, 2014, was noted by John Dovydaitis. A motion was then made by John Dovydaitis to approve the minutes with the noted correction. Seconded by Bill Elliott, the motion carried unanimously.

A motion was made by John Dovydaitis to approve the minutes from the Disability Hearing held on December 15, 2014. Seconded by Bill Elliott, the motion carried unanimously.

**3. Disbursements**

A motion was made by Bill Erwin to approve the disbursement report as presented. Seconded by John Dovydaitis, the motion carried unanimously. *(Copy is attached for the record.)*

**4. Actuarial Valuation Report**

Patrick Donlan was unable to attend the meeting today and asked that Scott Christiansen present the Actuarial Valuation Report as of October 1, 2014. Following Scott's review, and a brief discussion, a motion was made by Bill Elliott to approve the report as presented. Seconded by Bill Erwin, the motion carried unanimously.

A discussion then took place regarding the annual Declaration of Returns letter. Following lengthy input from the investment professionals, attorney, and the Trustees, a motion was made by John Dovydaitis to submit the annual letter to the Division of Retirement stating that the total expected annual rate of investment return for the fund for the next year, the next several years, and the long-term thereafter, shall be 7.75%, net of investment expenses. Seconded by Bill Erwin, the motion carried unanimously.

**5. Investment Manager's Report**

Jana Hamilton presented the Garcia Hamilton & Associates investment management report as of December 31, 2014. Portfolio value was \$4,432,076.63 with a yield of 2.1%.

**6. Investment Presentations**

Patrick Nolan and Bryan Jones of **Forest Investment Associates Timber Partners** presented and discussed their Growth & Value Fund product with the Board. After answering questions from the Trustees, Attorney, and the Investment Consultant, they closed their presentation.

Barbara Keady and Hunt Stookey of **Ceres Partners** presented and discussed their Value Add product with the Board. After answering questions from the Trustees, Attorney, and the Investment Consultant, they closed their presentation.

A very lengthy discussion took place regarding the products presented and how they will impact the investment performance if adopted. Following the discussion, a motion was made by John Dovydaitis to allocate \$1.6 million to FIA and another \$1.6 million to Ceres upon review and approval of the contracts by the Pension Board Attorney. Seconded by Bill Elliott, the motion carried unanimously.

## **7. Investment Consultant's Report – Dahab Associates**

Tom Donegan & Greg McNeillie reviewed the performance report as of December 31, 2014. Asset allocation for the period: Large Cap Equities – 37.7%, Mid Cap Equities – 10.1%, Small Cap Equities – 9.9%, International Equity – 10.1%, Real Estate – 9.9%, Fixed Income – 18.0% and Cash – 4.3%. Total portfolio value was \$40,681,756.

Additional discussion took place regarding current asset allocations and the most effective way in which to allocate the funding of the new timber and agriculture products that were presented earlier. Following the discussion, a motion was made by John Dovydaitis to trim the large cap equities by \$3.2 million in order to meet the investment target allocations by taking the following actions: \$1.6 million will be transferred from Sawgrass to Garcia Hamilton while waiting on the funding request for the new timber investment. An additional \$1.6 million will be transferred from Great Lakes Advisors to the R&D account to fund the new agriculture investment. Seconded by Bill Elliott, the motion carried unanimously.

A final motion was made by Bill Elliott to transfer 5% of the asset allocation from PIMCO to real assets classes to satisfy the Investment Policy target allocations. Seconded by John Dovydaitis, the motion carried unanimously.

## **8. Attorney's Report**

Scott Christiansen began his report by providing a brief legislative update.

Scott continued his report by informing the Trustees that he recently received another doctor's letter from Paul Kelley, attorney for disability applicant Brandon Worrell. As soon as his attorney is able to confirm a meeting date, he will schedule the initial hearing and notify everyone accordingly.

## **9. Old Business**

The Investment Ordinance (No. 4332) was passed and approved by the City Commission, at second reading, on January 26, 2015.

## **10. New Business**

(a) A motion was made by John Dovydaitis to approve of the DROP entry for Chris Collison, effective 12/01/14. Seconded by Bill Erwin, the motion carried unanimously.

The Plan Administrator informed the Trustees that the DROP process has also completed for James McAuliffe. A motion was made by John Dovydaitis to approve of the DROP entry for James McAuliffe, effective 01/01/15. Seconded by Bill Erwin, the motion carried unanimously.

(b) A motion was made John Dovydaitis to approve of the DROP exit/retirement for Franklin Hilton, effective 12/31/14. Seconded by Bill Erwin, the motion carried unanimously.

(c) A motion was made John Dovydaitis to approve of the DROP exit/retirement for Edgar Morales, effective 01/16/15. Seconded by Bill Erwin, the motion carried unanimously.

(d) The service provider review was tabled to the next meeting due to time constraints.

**11. Public Comments**

There were none.

**12. Next Meeting Date**

The next regular meeting date was set for Thursday, May 7, 2015 at 10:30 a.m.

**13. Adjournment**

The meeting ended at 2:10 p.m.

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(For the Board)